

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

ADJUSTACAM LLC,

PLAINTIFF,

v.

C.A. NO. 6:10-cv-00329-LED

AMAZON.COM, INC.;
AUDITEK CORPORATION;
BALTIC LATVIAN UNIVERSAL
ELECTRONICS, LLC D/B/A BLUE
MICROPHONES, LLC D/B/A BLUE
MICROPHONE;
BLUE MICROPHONES, LLC;
CDW CORPORATION F/K/A CDW
COMPUTER CENTERS, INC.;
CDW, INC.;
COBRA DIGITAL, LLC;
COMPUSA.COM, INC.;
CREATIVE TECHNOLOGY LTD.;
CREATIVE LABS, INC.;
DELL, INC.;
DIGITAL INNOVATIONS, LLC.;
EASTMAN KODAK COMPANY;
EZONICS CORPORATION D/B/A
EZONICS CORPORATION USA D/B/A
EZONICS;
FRY'S ELECTRONICS, INC.;
GEAR HEAD, LLC;
HEWLETT-PACKARD COMPANY;
INTCOMEX, INC.;
JASCO PRODUCTS COMPANY LLC
D/B/A JASCO PRODUCTS COMPANY
D/B/A JASCO;
JWIN ELECTRONICS CORPORATION;
KLIP XTREME LLC;
KMART CORPORATION;
LIFEWORX TECHNOLOGY GROUP,
LLC;
MACALLY PERIPHERALS, INC. D/B/A
MACALLY U.S.A.;
MACE GROUP, INC.;
MICRO ELECTRONICS, INC. D/B/A

MICRO CENTER; §
 NEW COMPUSA CORPORATION; §
 NEWEGG, INC.; §
 NEWEGG.COM, INC.; §
 OFFICE DEPOT, INC.; §
 OVERSTOCK.COM, INC.; §
 PHOEBE MICRO INC.; §
 PROLYNKZ, LLC; §
 RADIOSHACK CORPORATION; §
 ROSEWILL INC.; §
 SEARS BRANDS, LLC; §
 SEARS HOLDINGS CORPORATION §
 D/B/A SEARS; §
 SEARS, ROEBUCK AND COMPANY; §
 SAKAR INTERNATIONAL, INC.; §
 SAKAR, INC.; §
 SDI TECHNOLOGIES, INC.; §
 SOFTWARE BROKERS OF AMERICA §
 INC. D/B/A INTCOMEX CORPORATION §
 D/B/A INTCOMEX; §
 SYSTEMAX, INC. D/B/A COMPUSA; §
 TARGET CORP.; §
 TIGERDIRECT, INC.; §
 TRIPPE MANUFACTURING COMPANY §
 D/B/A TRIPP LITE; §
 WAL-MART STORES, INC.; §
 BEST BUY CO., INC. D/B/A BEST BUY §
 D/B/A ROCKETFISH; §
 BEST BUY STORES, LP; §
 BESTBUY.COM, LLC; §
 CONN'S, INC. D/B/A CONN'S; §
 J&R ELECTRONICS, INC. D/B/A J&R; §
 KOHL'S CORPORATION D/B/A KOHL'S; §
 KOHL'S ILLINOIS, INC.; §
 SOLID YEAR CO., LTD. AND §
 WALGREEN CO. D/B/A WALGREENS, §
 §
 DEFENDANTS. §

JURY TRIAL DEMANDED

**KMART CORPORATION'S FIRST AMENDED ANSWER AND COUNTERCLAIM TO
PLAINTIFF'S FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT**

Defendant and Counterclaimant, Kmart Corporation ("Kmart") files this its First Amended Answer and Counterclaim against Plaintiff and Counter Defendant AdjustaCam LLC ("Plaintiff"), and would show the following:

PARTIES

1. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 1 of Plaintiff's First Amended Complaint (the "Complaint"), and therefore denies the same.

2. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 2 of the Complaint, and therefore denies the same.

3. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 3 of the Complaint, and therefore denies the same.

4. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 4 of the Complaint, and therefore denies the same.

5. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 5 of the Complaint, and therefore denies the same.

6. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 6 of the Complaint, and therefore denies the same.

7. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 7 of the Complaint, and therefore denies the same.

8. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 8 of the Complaint, and therefore denies the same.

9. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 9 of the Complaint, and therefore denies the same.

10. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 10 of the Complaint, and therefore denies the same.

11. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 11 of the Complaint, and therefore denies the same.

12. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 12 of the Complaint, and therefore denies the same.

13. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 13 of the Complaint, and therefore denies the same.

14. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 14 of the Complaint, and therefore denies the same.

15. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 15 of the Complaint, and therefore denies the same.

16. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 16 of the Complaint, and therefore denies the same.

17. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 17 of the Complaint, and therefore denies the same.

18. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 18 of the Complaint, and therefore denies the same.

19. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 19 of the Complaint, and therefore denies the same.

20. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 20 of the Complaint, and therefore denies the same.

21. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 21 of the Complaint, and therefore denies the same.

22. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 22 of the Complaint, and therefore denies the same.

23. Kmart admits the allegations contained in paragraph 23 of the Complaint.

24. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 24 of the Complaint, and therefore denies the same.

25. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 25 of the Complaint, and therefore denies the same.

26. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 26 of the Complaint, and therefore denies the same.

27. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 27 of the Complaint, and therefore denies the same.

28. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 28 of the Complaint, and therefore denies the same.

29. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 29 of the Complaint, and therefore denies the same.

30. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 30 of the Complaint, and therefore denies the same.

31. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 31 of the Complaint, and therefore denies the same.

32. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 32 of the Complaint, and therefore denies the same.

33. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 33 of the Complaint, and therefore denies the same.

34. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 34 of the Complaint, and therefore denies the same.

35. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 35 of the Complaint, and therefore denies the same.

36. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 36 of the Complaint, and therefore denies the same.

37. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 37 of the Complaint, and therefore denies the same.

38. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 38 of the Complaint, and therefore denies the same.

39. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 39 of the Complaint, and therefore denies the same.

40. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 40 of the Complaint, and therefore denies the same.

41. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 41 of the Complaint, and therefore denies the same.

42. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 42 of the Complaint, and therefore denies the same.

43. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 43 of the Complaint, and therefore denies the same.

44. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 44 of the Complaint, and therefore denies the same.

45. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 45 of the Complaint, and therefore denies the same.

46. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 46 of the Complaint, and therefore denies the same.

47. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 47 of the Complaint, and therefore denies the same.

48. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 48 of the Complaint, and therefore denies the same.

49. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 49 of the Complaint, and therefore denies the same.

50. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 50 of the Complaint, and therefore denies the same.

51. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 51 of the Complaint, and therefore denies the same.

52. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 52 of the Complaint, and therefore denies the same.

53. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 53 of the Complaint, and therefore denies the same.

54. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 54 of the Complaint, and therefore denies the same.

55. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 55 of the Complaint, and therefore denies the same.

56. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 56 of the Complaint, and therefore denies the same.

57. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 57 of the Complaint, and therefore denies the same.

JURISDICTION AND VENUE

58. Kmart admits that Plaintiff has brought an action alleging patent infringement, but denies there is any basis in law or fact for such allegations contained in paragraph 58 of the Complaint. Kmart further admits that jurisdiction for patent infringement is provided for under 28 U.S.C. §§ 1331 and 1338(a). To the extent that paragraph 58 of the Complaint contains additional factual allegations, Kmart denies them.

59. Kmart admits that, to the extent Plaintiff has sufficiently alleged a patent infringement cause of action, venue could be proper in this Court under the provisions of 28 U.S.C. §§ 1391(b), 1391(c) and/or 1400. To the extent that paragraph 59 of the Complaint contains additional factual allegations, Kmart denies them.

COUNT I **INFRINGEMENT OF U.S. PATENT NO. 5,855,343**

60. Kmart admits that U.S. Patent No. 5,855,343 ("the '343 Patent") is titled "Camera Clip," and has an issue date of January 5, 1999. To the extent that paragraph 60 of the Complaint contains additional factual allegations, Kmart denies them.

61. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 61 of the Complaint, and therefore denies the same.

62. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 62 of the Complaint, and therefore denies the same.

63. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 63 of the Complaint, and therefore denies the same.

64. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 64 of the Complaint, and therefore denies the same.

65. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 65 of the Complaint, and therefore denies the same.

66. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 66 of the Complaint, and therefore denies the same.

67. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 67 of the Complaint, and therefore denies the same.

68. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 68 of the Complaint, and therefore denies the same.

69. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 69 of the Complaint, and therefore denies the same.

70. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 70 of the Complaint, and therefore denies the same.

71. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 71 of the Complaint, and therefore denies the same.

72. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 72 of the Complaint, and therefore denies the same.

73. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 73 of the Complaint, and therefore denies the same.

74. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 74 of the Complaint, and therefore denies the same.

75. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 75 of the Complaint, and therefore denies the same.

76. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 76 of the Complaint, and therefore denies the same.

77. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 77 of the Complaint, and therefore denies the same.

78. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 78 of the Complaint, and therefore denies the same.

79. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 79 of the Complaint, and therefore denies the same.

80. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 80 of the Complaint, and therefore denies the same.

81. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 81 of the Complaint, and therefore denies the same.

82. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 82 of the Complaint, and therefore denies the same.

83. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 83 of the Complaint, and therefore denies the same.

84. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 84 of the Complaint, and therefore denies the same.

85. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 85 of the Complaint, and therefore denies the same.

86. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 86 of the Complaint, and therefore denies the same.

87. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 87 of the Complaint, and therefore denies the same.

88. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 88 of the Complaint, and therefore denies the same.

89. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 89 of the Complaint, and therefore denies the same.

90. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 90 of the Complaint, and therefore denies the same.

91. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 91 of the Complaint, and therefore denies the same.

92. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 92 of the Complaint, and therefore denies the same.

93. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 93 of the Complaint, and therefore denies the same.

94. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 94 of the Complaint, and therefore denies the same.

95. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 95 of the Complaint, and therefore denies the same.

96. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 96 of the Complaint, and therefore denies the same.

97. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 97 of the Complaint, and therefore denies the same.

98. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 98 of the Complaint, and therefore denies the same.

99. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 99 of the Complaint, and therefore denies the same.

100. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 100 of the Complaint, and therefore denies the same.

101. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 101 of the Complaint, and therefore denies the same.

102. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 102 of the Complaint, and therefore denies the same.

103. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 103 of the Complaint, and therefore denies the same.

104. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 104 of the Complaint, and therefore denies the same.

105. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 105 of the Complaint, and therefore denies the same.

106. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 106 of the Complaint, and therefore denies the same.

107. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 107 of the Complaint, and therefore denies the same.

108. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 108 of the Complaint, and therefore denies the same.

109. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 109 of the Complaint, and therefore denies the same.

110. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 110 of the Complaint, and therefore denies the same.

111. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 111 of the Complaint, and therefore denies the same.

112. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 112 of the Complaint, and therefore denies the same.

113. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 113 of the Complaint, and therefore denies the same.

114. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 114 of the Complaint, and therefore denies the same.

115. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 115 of the Complaint, and therefore denies the same.

116. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 116 of the Complaint, and therefore denies the same.

117. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 117 of the Complaint, and therefore denies the same.

118. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 118 of the Complaint, and therefore denies the same.

119. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 119 of the Complaint, and therefore denies the same.

120. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 120 of the Complaint, and therefore denies the same.

121. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 121 of the Complaint, and therefore denies the same.

122. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 122 of the Complaint, and therefore denies the same.

123. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 123 of the Complaint, and therefore denies the same.

124. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 124 of the Complaint, and therefore denies the same.

125. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 125 of the Complaint, and therefore denies the same.

126. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 126 of the Complaint, and therefore denies the same.

127. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 127 of the Complaint, and therefore denies the same.

128. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 128 of the Complaint, and therefore denies the same.

129. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 129 of the Complaint, and therefore denies the same.

130. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 130 of the Complaint, and therefore denies the same.

131. Kmart denies the allegations in paragraph 131 of the Complaint regarding Kmart. To the extent that paragraph 131 of the Complaint contains additional factual allegations related to the other defendants, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 131 of the Complaint, and therefore denies the same.

132. Kmart denies the allegations in paragraph 132 of the Complaint regarding Kmart. To the extent that paragraph 132 of the Complaint contains additional factual allegations related to the other defendants, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 132 of the Complaint, and therefore denies the same.

133. Kmart denies the allegations in paragraph 133 of the Complaint regarding Kmart. To the extent that paragraph 133 of the Complaint contains additional factual allegations related to the other defendants, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 133 of the Complaint, and therefore denies the same.

134. Kmart denies the allegations in paragraph 134 of the Complaint regarding Kmart.

135. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 135 of the Complaint, and therefore denies the same.

136. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 136 of the Complaint, and therefore denies the same.

137. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 137 of the Complaint, and therefore denies the same.

138. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 138 of the Complaint, and therefore denies the same.

139. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 139 of the Complaint, and therefore denies the same.

140. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 140 of the Complaint, and therefore denies the same.

141. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 141 of the Complaint, and therefore denies the same.

142. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 142 of the Complaint, and therefore denies the same.

143. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 143 of the Complaint, and therefore denies the same.

144. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 144 of the Complaint, and therefore denies the same.

145. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 145 of the Complaint, and therefore denies the same.

146. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 146 of the Complaint, and therefore denies the same.

147. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 147 of the Complaint, and therefore denies the same.

148. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 148 of the Complaint, and therefore denies the same.

149. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 149 of the Complaint, and therefore denies the same.

150. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 150 of the Complaint, and therefore denies the same.

151. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 151 of the Complaint, and therefore denies the same.

152. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 152 of the Complaint, and therefore denies the same.

153. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 153 of the Complaint, and therefore denies the same.

154. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 154 of the Complaint, and therefore denies the same.

155. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 155 of the Complaint, and therefore denies the same.

156. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 156 of the Complaint, and therefore denies the same.

157. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 157 of the Complaint, and therefore denies the same.

158. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 158 of the Complaint, and therefore denies the same.

159. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 159 of the Complaint, and therefore denies the same.

160. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 160 of the Complaint, and therefore denies the same.

161. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 161 of the Complaint, and therefore denies the same.

162. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 162 of the Complaint, and therefore denies the same.

163. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 163 of the Complaint, and therefore denies the same.

164. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 164 of the Complaint, and therefore denies the same.

165. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 165 of the Complaint, and therefore denies the same.

166. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 166 of the Complaint, and therefore denies the same.

167. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 167 of the Complaint, and therefore denies the same.

168. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 168 of the Complaint, and therefore denies the same.

169. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 169 of the Complaint, and therefore denies the same.

170. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 170 of the Complaint, and therefore denies the same.

171. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 171 of the Complaint, and therefore denies the same.

172. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 172 of the Complaint, and therefore denies the same.

173. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 173 of the Complaint, and therefore denies the same.

174. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 174 of the Complaint, and therefore denies the same.

175. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 175 of the Complaint, and therefore denies the same.

176. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 176 of the Complaint, and therefore denies the same.

177. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 177 of the Complaint, and therefore denies the same.

178. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 178 of the Complaint, and therefore denies the same.

179. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 179 of the Complaint, and therefore denies the same.

180. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 180 of the Complaint, and therefore denies the same.

181. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 181 of the Complaint, and therefore denies the same.

182. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 182 of the Complaint, and therefore denies the same.

183. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 183 of the Complaint, and therefore denies the same.

184. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 184 of the Complaint, and therefore denies the same.

185. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 185 of the Complaint, and therefore denies the same.

186. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 186 of the Complaint, and therefore denies the same.

187. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 187 of the Complaint, and therefore denies the same.

188. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 188 of the Complaint, and therefore denies the same.

189. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 189 of the Complaint, and therefore denies the same.

190. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 190 of the Complaint, and therefore denies the same.

191. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 191 of the Complaint, and therefore denies the same.

192. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 192 of the Complaint, and therefore denies the same.

193. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 193 of the Complaint, and therefore denies the same.

194. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 194 of the Complaint, and therefore denies the same.

195. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 195 of the Complaint, and therefore denies the same.

196. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 196 of the Complaint, and therefore denies the same.

197. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 197 of the Complaint, and therefore denies the same.

198. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 198 of the Complaint, and therefore denies the same.

199. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 199 of the Complaint, and therefore denies the same.

200. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 200 of the Complaint, and therefore denies the same.

201. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 201 of the Complaint, and therefore denies the same.

202. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 202 of the Complaint, and therefore denies the same.

203. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 203 of the Complaint, and therefore denies the same.

204. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 204 of the Complaint, and therefore denies the same.

205. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 205 of the Complaint, and therefore denies the same.

206. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 206 of the Complaint, and therefore denies the same.

207. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 207 of the Complaint, and therefore denies the same.

208. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 208 of the Complaint, and therefore denies the same.

209. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 209 of the Complaint, and therefore denies the same.

210. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 210 of the Complaint, and therefore denies the same.

211. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 211 of the Complaint, and therefore denies the same.

212. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 212 of the Complaint, and therefore denies the same.

213. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 213 of the Complaint, and therefore denies the same.

214. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 214 of the Complaint, and therefore denies the same.

215. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 215 of the Complaint, and therefore denies the same.

216. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 216 of the Complaint, and therefore denies the same.

217. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 217 of the Complaint, and therefore denies the same.

218. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 218 of the Complaint, and therefore denies the same.

219. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 219 of the Complaint, and therefore denies the same.

220. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 220 of the Complaint, and therefore denies the same.

221. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 221 of the Complaint, and therefore denies the same.

222. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 222 of the Complaint, and therefore denies the same.

223. Kmart denies the allegations in paragraph 223 of the Complaint regarding Kmart. To the extent that paragraph 223 of the Complaint contains additional factual allegations related

to the other defendants, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 223 of the Complaint, and therefore denies the same.

224. Kmart denies the allegations in paragraph 224 of the Complaint regarding Kmart. To the extent that paragraph 224 of the Complaint contains additional factual allegations related to the other defendants, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 224 of the Complaint, and therefore denies the same.

225. Kmart denies the allegations in paragraph 225 of the Complaint regarding Kmart. To the extent that paragraph 225 of the Complaint contains additional factual allegations related to the other defendants, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 225 of the Complaint, and therefore denies the same.

226. After reasonable investigation, Kmart is without sufficient information or knowledge to form a belief as to the truth or falsehood of the allegations contained in paragraph 226 of the Complaint, and therefore denies the same.

PRAYER FOR RELIEF

227. Paragraphs (1) thru (7) of the Prayer for Relief of the Complaint are a request for relief, which do not require an admission or denial. In any event, Kmart denies that Plaintiff is entitled to recover and/or receive any of the relief sought in paragraphs (1) thru (7) against, and as it relates to, Kmart. To the extent that paragraphs (1) thru (7) contain factual allegations, Kmart denies them. To the extent that paragraphs (1) thru (7) contain the request for relief with respect to the remaining defendants, Kmart is without sufficient information or knowledge to

form a belief as to the truth or falsehood of the request for relief with respect to the remaining defendants, and therefore denies the same.

DEMAND FOR JURY TRIAL

228. Plaintiff's request for a jury trial pursuant to Fed. R. Civ. P. 38 does not require an admission or denial. Kmart also demands a jury trial pursuant to Fed. R. Civ. P. 38.

AFFIRMATIVE DEFENSES

229. Plaintiff has failed to allege facts sufficient to state a claim against Kmart.

230. Kmart has not and does not (i) literally infringe, (ii) infringe under the doctrine of equivalents, (iii) contributorily infringe, or (iv) induce infringement of the '343 Patent.

231. The claims of the '343 Patent are invalid and unenforceable under the patent laws, including the provisions of 35 U.S.C. §§ 101, 102, 103, and 112, particularly when those claims are sought to be interpreted to cover the business activities of Kmart.

232. Plaintiff's claims are barred by the equitable doctrine of laches.

233. Plaintiff's claims are barred by the equitable doctrine of estoppel.

234. Plaintiff's claims are barred in whole or in part by 35 U.S.C. § 286.

235. Upon information and belief, the patent owner did not mark articles covered by the claims of the patents-in-suit in accordance with 35 U.S.C. § 287.

236. On information and belief, Plaintiff's claims are barred by patent misuse.

237. Plaintiff's claims are barred in whole or in part by the doctrine of prosecution history estoppel.

238. Some or all of the Defendants have been improperly joined in a single action and Kmart asserts its right to a separate trial.

239. Plaintiff has failed to join necessary and/or indispensable parties in the present action as required by the Federal Rules of Civil Procedure.

240. To the extent that any of Plaintiff's allegations of infringement are premised on the alleged use, sale, or offer for sale of methods, systems, apparatus, and/or products that were manufactured by or for a licensee of Plaintiff or its predecessors-in-interest and/or provided to Kmart by or through a licensee of Plaintiff or its predecessors-in-interest, or under a covenant not to sue, such allegations are barred pursuant to license and/or exhaustion.

COUNTERCLAIM

For its Counterclaim, Kmart alleges as follows:

Declaration of Patent Non-Infringement, Invalidity and Unenforceability

1. This counterclaim arises under 28 U.S.C. §§ 2201 and 2202, and this Court has jurisdiction under the laws of the United States concerning actions relating to patents, 28 U.S.C. § 1338(a). There is an actual justiciable controversy between Kmart and Plaintiff concerning the alleged infringement, validity, scope and enforceability of U.S. Patent No. 5,855,343 ("the '343 Patent"). Jurisdiction is also conferred upon this Court in that this counterclaim arises out of the same transaction that is the subject matter of the Complaint.

2. Venue is proper in this Court under Title 28, U.S.C. §1391 (b) and (c), in that the claims arose within this Judicial District.

3. Plaintiff claims to be the present owner of all right, title and interest in and to the '343 Patent, including the right to sue and recover damages for infringement.

4. Plaintiff has asserted that activities of Kmart in the United States infringe the '343 Patent.

5. On information and belief, the '343 Patent is invalid and void under the provisions of 35 U.S.C. §§ 101, 102, 103, and/or 112, as set forth specifically in the affirmative defenses of the Original Answer to Plaintiff's Complaint to which this counterclaim is appended.

6. Plaintiff has, in bad faith, knowingly undertaken to enforce the '343 Patent against Kmart while knowing that the '343 Patent is invalid.

7. Kmart has not infringed and is not infringing any claim of the '343 Patent.

8. Plaintiff has, in bad faith, knowingly undertaken to enforce the '343 Patent against Kmart while knowing that the '343 Patent is not infringed.

9. Therefore, because of the foregoing, there exists an actual controversy between the parties as to the validity, enforceability, and infringement of the '343 Patent to which Kmart requests a declaratory judgment in its favor.

10. Based upon the foregoing conduct of Plaintiff, this is an exceptional case under 35 U.S.C. § 285.

11. As a result of Plaintiff's conduct and 28 U.S.C. § 2202, Kmart is entitled to recover attorneys' fees.

PRAYER

WHEREFORE, Defendant, Kmart Corporation prays that:

- a. Plaintiff's Complaint be dismissed in its entirety, with prejudice;
- b. A holding of non-infringement of the '343 Patent be entered relating to Kmart;
- c. United States Patent No. 5,855,343 be declared invalid;
- d. The Court find this to be an exceptional case; and
- e. Plaintiff be ordered to pay attorneys' fees and costs to Kmart and any such additional amount that appears reasonable to the Court.

Dated: October 5, 2010.

Respectfully submitted,

BRACEWELL & GIULIANI LLP

By: /s/ John H. Barr, Jr.

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 (713) 221-1212 – Facsimile

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been forwarded to all counsel of record pursuant to the Federal Rules of Civil Procedure on the 5th day of October, 2010.

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/s/ John H. Barr, Jr.

John H. Barr, Jr.